ORANGE COUNTY WATER DISTRICT
SINCE 1933
ORANGE COUNTY'S GROUNDWATER AUTHORITY

September 5, 2014

Laura L. Peters
Senior Engineer
Department of Water Resources
Integrated Region Water Management
901 P Street, Room 213A
Sacramento, CA 95814

RE: Draft 2014 Water-Energy Grant Program: Guidelines and Proposal Solicitation Package

Dear Ms. Peters,

Please accept the following comments on the Draft 2014 Water-Energy Grant Program: Guidelines and Proposal Solicitation Package.

The Orange County Water District (OCWD, the District) was established by the State of California in 1933 to manage the Orange County Groundwater Basin. Water produced from the basin is the primary water supply for approximately 2.4 million residents in Orange County. OCWD operates and maintains facilities in the cities of Anaheim and Orange to recharge surface water into the groundwater basin. The District also operates the Groundwater Replenishment System, an advanced wastewater purification system that provides recycled water for groundwater recharge.

The purpose of the 2014 Guidelines is to establish a process that DWR will use to solicit and evaluate proposals, award grants, and assist applicants who apply for grants for WUE programs or projects that reduce GHG emission and reduce water and energy use

The Draft PSP attempts to incorporate an evaluation of projects more broadly than just the area where the project will be constructed. As stated on page 9 of 30, "Water and energy savings and GHG emission reductions will be estimated on a System level as well as on a broader level, if applicable."

This definition of System, however, does not capture cases where a project within an individual water service area boundary increases its supply by decreasing an existing downstream water supply. In these cases, there may be no net increase in water

PO Box 8300
Fountain Valley, CA 92728-8300
18700 Ward Street
Fountain Valley, CA 92708
(714) 378-3200
(714) 378-3373 fax
www.ocwd.com

supply within that watershed. GHG emission reductions and energy savings will not be accurate if the calculations do not include energy expended to replace the reduction in existing downstream water supply.

For example, treated wastewater is discharged to a stream and this flow is diverted downstream and beneficially used. The upstream agency constructs or expands a recycled water project and, as a result, decreases the discharge to the stream. This reduces the supply available for beneficial use downstream. This reduced downstream supply must be replaced with imported water or other water supplies to maintain an adequate water supply. For water and energy savings to be accurately calculated and to fully achieve the goals set forth by this grant program, the energy expended to replace that reduction in downstream supply must be factored in.

Suggested additional language to be added to the definition of "System" in the first paragraph on page 9 is indicated with the underlined text as follows:

"A "System" is defined as an individual water service area boundary. In cases where the proposed project would utilize a water supply being beneficially used in an areas downstream, the System must include the water service area of the downstream water supply user.

Thank you for the opportunity to submit these comments.

Sincerely,

Michael Markus, P.E., D.WRE, BCEE, F.ASCE
General Manager